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Committee: Ways and Means

**Testimony on: HB 955 - Motor Fuel Tax Rates - Consumer Price Index Adjustment -
Repeal**

Position: Oppose

Hearing Date: February 27, 2024

The Maryland Chapter of the Sierra Club opposes HB 955. This bill would repeal a requirement that certain motor fuel tax rates be adjusted in future years based on growth in the Consumer Price Index.

The motor fuel tax is a major source of funding in the state to support the Maryland Department of Transportation (MDOT). The fuel tax revenue goes into the state's Transportation Trust Fund which supports the operation and maintenance of state transportation systems, administration, capital projects, Maryland's portion of operating and capital subsidies for the Washington Metropolitan Area Transit Authority (WMATA), and grants to Maryland's counties and Baltimore City for local transportation needs.

In adverse economic conditions and public emergencies, it is critical that we keep the state's transportation infrastructure in operation. The cost of running the transportation system is similarly affected by adverse economic conditions, such as large increases in inflation, and public emergencies, like the COVID-19 pandemic. It should also be noted that any increase in the motor fuel tax is already capped at 8%.

Even with the existing motor fuel tax, the Transportation Trust Fund is in a dire condition, which is why the Transportation Revenue and Infrastructure Needs (TRAIN) Commission was established to review and make recommendations on the prioritization and funding of transportation projects. Given that the motor fuel tax is such a fundamental component of state transportation funding, it would be short-sighted to create exemptions for increases in the motor fuel tax at a time when MDOT's programs are so fiscally constrained.

We should ensure that our transportation system remains resilient in times of crises, which means ensuring stable funding sources. Therefore, we urge you to give HB 955 an unfavorable report.

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